

STATE OF CALIFORNIA
CONSUMER POWER AND CONSERVATION
FINANCING AUTHORITY



TO: Board of Directors
California Power Authority

FROM: Laura Doll, Chief Executive Officer

DATE: June 18, 2002

SUBJECT: Status Report on the CPA Budget

Attached are the CPA's budget submittals from April 15 and May 10, 2002. The April 15 proposal included a budget summary allocating the remainder of the \$10 million loan (\$5.498 million), an organizational chart and staffing profile for Energy Resource Investment Plan (ERIP) activities. This original proposal summarized the CPA's projects and programs to address the unmet needs described in the ERIP.

Following Subcommittee No. 2 review on May 8, 2002, the CPA was asked to reduce its total budget submittal by \$1 million. We fulfilled this request and submitted a revised budget totaling \$4.402 million.

While the State's budget is not yet complete, we anticipate the current legislative directives will hold. They include the following provisions:

Senate Bill 1261 (amended May 30, 2002)

8665-001-9326--For support of California Consumer Power and Conservation Financing Authority, payable from the California Consumer Power and Conservation Financing Authority Fund . . .
4,402,000

Provisions:

1. Funds appropriated in this item are to be used to conduct activities pursuant to Chapter 10 of the Statutes of 2001 of the First Extraordinary Session and may be spent only upon approval by the Department of Finance. Amounts may be approved for expenditure on an allotment basis and shall be limited to the amounts needed to carry out operating and staffing plans approved by the Department of Finance. Approval of expenditures shall not occur any sooner than 30 days after notification of the Joint Legislative Budget Committee.

2. The California Consumer Power and Conservation Financing Authority shall enter into a memorandum of understanding with the Public Utilities Commission, Electricity Oversight Board, Department of Water Resources, Energy Resources and Energy Resources Conservation

and Development Commission no later than February 1, 2003. The memorandum shall do all of the following:

- (a) Delineate tasks and responsibilities associated with energy procurement, regulation, and litigation for each entity.
- (b) Identify tasks and responsibilities that overlap or are duplicative among the entities.
- (c) Provide a mechanism for improving coordination and reducing redundant tasks and responsibilities.
- (d) Identify a lead entity for each task or responsibility identified as overlapping or duplicative in subdivision (b).
- (e) Identify the means for ensuring coordination among the entities.

3. On or before June 30, 2003, the authority shall transfer to the General Fund \$1 million from the proceeds of its financing activities.

8665-011-0001--For transfer, upon notification by the Department of Finance, to the California Consumer Power and Conservation Financing Authority Fund . . . (4,402,000)

Provisions:

1. The appropriation in this item shall be available for loans to the California Consumer Power and Conservation Financing Authority Fund, as needed to finance approved expenditures in Item 8665-001-9326. These loans shall be repaid with interest calculated at the rate earned by the Pooled Money Investment Account at the time of the transfer and shall be repaid from revenues deposited in that fund pursuant to Chapter 10, Statutes of 2001 (First Extraordinary Session).